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Spotlight ON FOREIGN MARKETING

Director, Sugar Division, CSS



TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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SECRETARY BENSON PARTICIPATED IN THE OPENING OF THE U. S. EXHIBIT IN COLOGNE, West Germany, on September 26th. The occasion marked the second time that the Secretary had an opportunity to view our trade fair efforts since the program started just four years ago at the same location. Earlier this summer he attended our exhibit at Lausanne, Switzerland.

"International trade fairs, such as Cologne, are proving very useful in the foreign market promotion work that we are carrying on jointly with U. S. private industry," the Secretary said. "Not only does the trade fair give U. S. agriculture an opportunity to display its products attractively before thousands of foreign consumers but also it gives us a concentrated view of the competition we face in reaching such consumers.

"In the case of Germany, we have been successful in moving increased amounts of U. S. farm products into an expanding cash market. The German food industry is rapidly being modernized, along lines similar to our own. Frozen foods, modern packaging, self-service retailing are part of this progress. Our good results in creating in Germany a new demand for U. S. frozen poultry is one indication of the success our agricultural industry is having in selling in this market."

RECORD SHIPMENT OF FROZEN POULTRY SENT TO EUROPE. As Indian Summer and World Series talk dominates the American scene, a Christmas shipment of 700 tons of U. S. frozen poultry headed for Western European holiday dinners on September 26. The sale was made for dollars.

At a dock-side inspection, David L. Hume, Director of the FAS Dairy and Poultry Division, said the shipment was the largest on record. "Such a huge shipment of poultry was inconceivable four years ago, when frozen American broilers were introduced abroad," he said.

According to Joseph Parker, Chairman, International Trade Development Committee, the shipment is a milestone for the poultry industry in its attempt to expand overseas markets.

Five days were required to unload 50 refrigerated trucks of poultry from major producing areas in Maryland, Delaware, Virginia, Georgia, Arkansas and Alabama.

Arnold K. Strasser, buyer for Migros, Switzerland's largest self-service chain of food stores, pointed out that Swiss consumers have widely accepted the product. Chicken is an economical food in the U. S. and is a very good buy in Switzerland compared with other meats. He added that poultry inspection and grading performed by AMS for wholesomeness and quality, helps further acceptance abroad.

FROZEN FOOD WORKSHOP TO BE HELD IN VERONA.

Food industry leaders from numerous European countries will get a close-up of the U. S. frozen food industry at a special "workshop" sponsored by O.E.E.C. in Verona, Italy, October 7-11.

Our attache office in Rome is cooperating in the project. They believe the workshop offers an excellent opportunity to follow-up on previous efforts to promote U.S. frozen foods at trade fairs, promotional luncheons and the work done by our cooperating trade groups.

Seeing and tasting will be an important part of the project. But added to sampling will be a short course in processing, packaging, shipping, handling, distribution and merchandising frozen foods. Background information, including a color movie, trade publications, and Department and industry materials on frozen foods has been compiled and sent to Verona.

Supplementing the talks by European leaders will be papers on various aspects of the frozen food field by Dr. W. A. Gould, Professor of Food Technology, Ohio State; Norman J. Merrill, food packer from Salem, Oregon; C. E. Sidler, European Director, Institute of American Poultry Industries, Rome; and Paul J. Findlen, Assistant Agricultural Attache, Rome.

The workshop idea which O.E.E.C. is using seems to be a good one and bears watching for future use in our Market Development program.

NEW CONGRESSIONAL SUPPORT FOR MARKET DEVELOPMENT came in the form of recently passed amendment to the 104(a) language in P.L. 480. In the future, not less than the equivalent of 5% of total sales under Title I shall be made available from sales proceeds and loan repayments for 104(a) agricultural market development purposes. Second, "Particular regard shall be given to provide in sale and loan agreements for the convertibility of such amount of the proceeds thereof as may be needed to carry out the purpose of this subsection in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities." Third, that if sufficient funds cannot be raised through the above methods for use in dollar-market countries special Title I sales agreements can be made with such countries, "notwithstanding any other provision of law."

It is expected that several weeks will be required to work out details involved in the interpretation and procedures of putting this new language into operation. However, it is not anticipated that the new legislation will have much, if any, effect on the size of 104(a) market development operations in FY'60.

CCC STOCKS OF BUTTER ARE EXHAUSTED, and all domestic and export sales by the Commodity Credit Corporation were discontinued as of September 2. The stop order will be in effect until at least the first of the year. Details in USDA press release 2448-59.

THE U. S. EXHIBIT IN MADRID WON FIRST PRIZE, marking the third time that our efforts in the international trade fair program have won top awards. The other instances were for Munich last year, and for Barcelona in 1957. The Madrid exhibit was directed by A. James Martin, ITF Branch.

9,000 TONS OF U.S. SOYBEAN OIL WERE BOUGHT BY PERU for dollars less than a year after a 104(a) market development project was started in that country. Prior to the project, Peru had never bought soybean oil, believing that it was not fit for human consumption. The barrier was broken with the first sale of 1,000 tons last June. The second shipment of 4,000 tons was negotiated in August, and the most recent purchase of an additional 4,000 tons was made last month. The total dollar value of the sales amounts to \$2.5 million; the cost of the promotion project, for a two-year period, will be less than \$10,000 in local currency.

Clarence Pike, Agricultural Attache in Lima, credits these sales entirely to the marketing project. He believes that Peru will be a regular dollar customer for U. S. soybean oil, as long as prices are competitive.

This project has been conducted by the Soybean Council of America in consultation with the office of the agricultural attache, without a local project office or local employees.

Early this month Howard Roach, President, Soybean Council of America, will be in Lima to meet with representatives of the vegetable oilseed and processing industries from Ecuador, Peru, Chile and Colombia. It is hoped that this, and subsequent meetings, will lead to continued expansion of markets for U. S. soybeans and soybean products in Latin America.

JAPAN INVITES OTHER COTTON GROWING NATIONS TO PARTICIPATE IN MARKET DEVELOPMENT. The Japanese cotton industry, under the encouragement of Cotton Council International, is inviting other cotton producing nations to put money and ideas into the Japanese cotton promotion program. An attractive folder has been prepared picturing program highlights. Notable is an endorsement from the Japanese Ministry of International Trade and Industry which was very unenthusiastic when the program began. CCI hopes that its cooperators in Europe will issue similar invitations. Egypt is already putting money into an extra long staple cotton promotion program in France and Switzerland. The Egyptians, in fact, were in this work ahead of the U. S.

U. S. SHARE OF GERMAN POULTRY IMPORTS JUMPS 428 PERCENT IN YEAR. The U. S. exported 7.7 million pounds of slaughtered poultry to West Germany in the first half of 1959, compared with 1.8 million pounds a year earlier. This was an increase of 428 percent. The U. S. share of the West German poultry market is 10.3 percent. U. S. exports to West Germany in the first half of 1959 already exceed total 1958 exports. The Netherlands continued to be West Germany's major supplier, with Denmark second, Poland third and U. S. a fast moving fourth.

"FOOD FOR PEACE" discussions in Washington have interested Canada, Australia and possibly other wheat exporters in the possibility of joining the U. S. in wheat market development. The wheat utilization committee established by the Food for Peace Conference is studying this question. Spotlight will report further developments.

IN THE NEXT ISSUE: A special story on the invention of the tin can, which was invented a hundred and fifty years ago, and a quick look at the growing sales of gourmet foods from abroad in U. S. supermarkets and department stores. In addition, SPOTLIGHT will celebrate its third year publication.

CCC MONTHLY SALES LIST FOR OCTOBER 1959: Nonfat dry milk, cheddar cheese, cotton (upland and extra long staple), peanuts, wheat, rice (rough and milled), corn, oats, barley, grain sorghums, flaxseed, soybeans, burley tobacco, gum rosin, and tung oil.

Principal changes in the list for October are a shift to a 1959-crop basis for setting minimum domestic prices for corn and soybeans; the dropping of butter from the list (as announced September 2 -- press release USDA 2448-59) because all stocks have been committed; increases in domestic (restricted) and export prices for nonfat dry milk; and a reduction in the cheese export price.

All commodities currently offered for sale by CCC, plus tobacco from CCC loan stocks, are eligible for export sale under the CCC Export Credit Sales Program. The following commodities are currently eligible for barter: Cotton, tobacco, rice (milled), wheat, corn, barley, sorghum grain, soybeans, cheddar cheese, and nonfat dry milk. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales Program for October 1959 are 4-7/8 percent for periods up to six months, 5-3/8 percent for periods from over six and up to 18 months, and 5-7/8 percent for periods from over 18 months up to a maximum of 36 months.

FARMER COOPERATIVES WANT EXPORT MARKETS, and they are campaigning among themselves to become more export minded. Many will agree with the following statement by Clifford Gregory, Manager of the Farmers Cooperative Company of Dike, Iowa, following his groups participation in the Osaka, Japan, International Trade Fair last year. His statement follows:

"For a successful grain export program money will be needed, and farmers -- through their cooperatives -- will have to accept responsibility for financing that program just as they finance the seed, fertilizer, farm machinery and other necessities used to grow their crops.

"We will have to put personnel in our potential foreign markets whose sole responsibility is to look after our interests. Competition against shrinking dollars, quality standards, service and delivery, and research that would increase our volume and consumer preference in certain markets -- all these are problems that will require the full time of our representatives.

"In my opinion, we should be giving much thought and effort to having our farmer cooperatives carry our marketing program clear through the export channels until we are willing to accept some of the responsibility for selling our own grain overseas, perhaps we should refrain from complaining of the representation we get there."

THE PROMOTIONAL FILM, "COTTON -- NATURE'S WONDER FIBER," has gone a long way since it was produced in late 1957. Thus far, it has been shown in 44 countries, and sound tracks have been made in 10 foreign languages. It was among the few U. S. trade movies selected last year for showing in the Film Festivals of Venice, Edinburgh and Padua. Just this past summer "Scholastic Teacher Magazine," a national U. S. educational publication, selected CNWF as one of 13 top U. S. industrial films to be shown to students from grade 3 through 12.